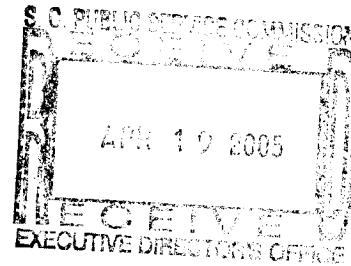


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April 18, 2005



VIA ELECTRONIC AND 1ST CLASS MAIL SERVICE

The Honorable Charles L.A. Terreni
Executive Director
SC Public Service Commission
P.O. Drawer 11649
Columbia, SC 29211

RE: Application of ATX Licensing, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold Intrastate Interexchange Telecommunications Services Within the State of South Carolina And for Alternative Regulation First Approved in Docket No. 95-661-C
Docket No. 2005-23-C, Our File No. 978-10286

Dear Mr. Terreni:

Enclosed is the original and twenty-five (25) copies of the **Testimony of Bruce Bennett** filed on behalf of ATX Licensing, Inc. in the above-referenced docket.

✓ Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,

John J. Pringle, Jr.

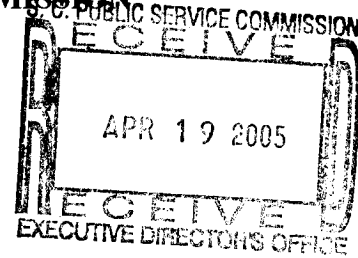
JJP/cr

cc: Mr. Bruce Bennett [via first-class mail service]
Brett P. Ferenchak, Esquire [via first-class mail service]
Office of Regulatory Staff [via first-class mail service]

Enclosures

**BEFORE THE
SOUTH CAROLINA PUBLIC SERVICE COMMISSION**

DOCKET NO. 2005-23-C



In the Matter of the Application of

ATX Licensing, Inc.

For a Certificate of Public Convenience and Necessity to
Provide Resold Intrastate Interexchange Telecommunications
Services Within the State of South Carolina and for
Alternative Regulation First Approved in Docket No. 95-661-C

**TESTIMONY OF
BRUCE BENNETT**

1 **Q: Please state your full name, business address, and position.**

2 **A:** My name is Bruce Bennett. I hold the position of Vice President for External Affairs
3 with ATX Licensing, Inc. My business address is 70 West Hubbard Street, Suite 410
4 Chicago, IL 60610.

5 **Q: Please briefly describe your duties.**

6 **A:** As Vice President for External affairs I oversee ATX's Regulatory and Carrier Relations
7 Department. Specifically, I manage a group of operations personnel and attorneys
8 responsible for establishing and executing the company's overall efforts to plan and
9 execute regulatory and vendor initiatives.

10 **Q: Please describe your business experience and educational background.**

11 **A:** I have over 25 years experience in the telecommunications industry. Prior to coming to
12 ATX in 2000, I was employed by AT&T from 1984 to 2000 where I held positions of
13 Division Manager, Local Services and Access Management (Chicago, Illinois); Division
14 Manager, Law and Government Affairs (Chicago, Illinois); District Manager, State
15 Government Affairs (Madison, Wisconsin); and Manager, Marketing Plans

OK D. Duke
OK D. Duke
DATE: _____
BY: _____

1 Implementation (Southfield, Michigan). From 1979 to 1983 I was a Manager at Michigan
2 Bell Telephone. I received a Bachelor of Arts in Finance from Michigan State
3 University in 1979. I received a Master of Business Administration from Wayne State
4 University in 1983.

5 **Q: Are all statements in ATX's Application true and correct to the best of your**
6 **knowledge, information and belief?**

7 **A:** I would like to update the Application to reflect that ATX has received authorization to
8 provide resold interexchange telecommunications services in the following states: Idaho,
9 Indiana, Iowa, Missouri, Nevada, New Mexico, Oregon, Rhode Island, Utah, and
10 Washington. Later in the testimony, I correct the Application with regard to the exit
11 facility.

12 **Q: Please describe the current corporate structure of ATX.**

13 **A:** ATX is a wholly owned subsidiary of CoreComm – ATX, Inc., a wholly owned
14 subsidiary of CoreComm Communications, Inc., which in turn is a wholly owned
15 subsidiary of ATX Communications, Inc.

16 **Q: Does ATX possess the requisite managerial, financial, and technical abilities to**
17 **provide the services for which it has applied for authority?**

18 **A:** Yes.

19 **Q: Please describe ATX's financial qualifications.**

20 **A:** Applicant, its ultimate parent company, ATX Communications, Inc., and its affiliates
21 (collectively, the "Debtors") currently operate their business as debtors-in-possession
22 under the protections of chapter 11 of the U.S. Bankruptcy Code. *In re CoreComm New*
23 *York, Inc.*, Chap. 11 Case No. 04-10214 (PCB) (Bankr. S.D.N.Y.). On January 24, 2005,

1 the Debtors filed a First Amended Joint Plan of Reorganization (“Plan”) with the
2 Bankruptcy Court that would enable the Debtors, including Applicant, to emerge from
3 bankruptcy in the middle of April, 2005. The Plan requires that the existing equity in the
4 Debtors be cancelled and that all of the equity in the reorganized Debtors be issued to
5 Leucadia National Corporation (“Leucadia”), the holder of the Debtors’ senior secured
6 debt. Thus, Leucadia will control the reorganized Debtors, including Applicant, once the
7 Plan takes effect. The Plan also provides for, among other things, (1) an exit facility of
8 up to \$50 million, which will likely be guaranteed by Applicant and all, or substantially
9 all, of its affiliates and secured by a lien on and security interest in substantially all of the
10 assets of the reorganized Debtors, including those of Applicant, (2) the issuance to certain
11 creditors of the Debtors of notes totaling \$2 million, and (3) other financing arrangements
12 that may require a guarantee by Applicant or a security interest in the assets of Applicant.
13 Given these plans, ATX is financially qualified and has access to the requisite financing
14 and capital to provide telecommunications services in the State of South Carolina.

15 **Q: Please describe ATX’s managerial and technical qualifications.**

16 **A:** ATX has nearly 20 years experience in providing telecommunications services. While
17 ATX primarily has focused its business in the states of Delaware, Maryland, New Jersey,
18 New York, Pennsylvania and the District of Columbia, ATX also provide services in
19 many other states. The managerial and technical qualifications that have made ATX
20 successful in those states, will be easily transferable to ATX’s operations in South
21 Carolina. In addition, ATX officers and directors have decades of experience in the
22 telecommunications industry which provides the technical and operational foundation
23 necessary to execute the company’s business plan, to provide its proposed

1 telecommunications services, and to operate and maintain ATX's services. A description
2 of the backgrounds and experience of ATX's key personnel, which demonstrates the
3 extensive telecommunications operational and technical expertise of the Applicant, is
4 attached to the Application as Exhibit 3.

5 **Q. In what states does ATX hold authorization to provide telecommunications services**
6 **or have pending applications?**

7 A. ATX is authorized to provide intrastate interexchange telecommunications services in
8 California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana,
9 Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri,
10 Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North
11 Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island,
12 Tennessee, Texas, Utah, Virginia, Washington, and West Virginia. ATX is also
13 authorized to provide local exchange telecommunications services in Delaware, the
14 District of Columbia, Maryland, New Jersey, New York, and Pennsylvania. In addition
15 to South Carolina, ATX has pending applications for authorization to provide intrastate
16 interexchange telecommunications services in Alabama, Arizona, Arkansas, Kansas,
17 Maine, Mississippi, Nebraska, Vermont, and Wisconsin. ATX has not been denied
18 authorization where requested.

19 **Q: Please describe the types of services that ATX plans to offer in South Carolina?**

20 **A:** ATX requests authority to provide intrastate interexchange telecommunications services
21 throughout the State of South Carolina. Specifically, ATX intends to offer a full range of
22 interexchange telecommunications services, including MTS, WATS, toll-free and calling

card services primarily to its customers in other states with satellite office locations in South Carolina.

Q. How will ATX provide these services?

A. ATX will resell the interexchange services of other carriers.

Q. What geographic areas will ATX serve?

A. ATX seeks authority to provide resold interexchange telecommunications services throughout the State of South Carolina.

Q. Will ATX have any repair personnel located in South Carolina?

A. As a reseller, ATX does not plan to have any ATX repair personnel in South Carolina.

Q. Please provide the name, address and telephone number of the person that will serve as your company's contact to the Consumer Service Division for complaint resolution?

A. For complaint resolution, please contact Cathleen McCormick, Director of Quality Services at 2100 Renaissance Blvd., King of Prussia, PA 19406, Tel - (610) 755-4180, Fax - (610) 755-0266, Email - cathleen.mccormick@atx.com.

Q. If authorized to provide competitive telecommunications services, will ATX abide by the rules, regulations, policies and order of this Commission, and the laws of the State of South Carolina, as now adopted or that may be adopted in the future, in its provision of competitive intrastate interexchange services.

A. Yes, we will. In good faith and in the interest of full disclosure, ATX informed the Commission in the Application that it is currently providing resold interexchange services in South Carolina. ATX provides such incidental services to branch offices of approximately fifty-six (56) business customers whose principal service location is in

1 another state in which ATX is authorized to provide interexchange service and has been
2 actively marketing services.

3 ATX recently discovered that it was providing intrastate long distance services
4 without proper Commission authorization while conducting due diligence related to its
5 impending emergence from bankruptcy. ATX believes that this problem arose because,
6 until recently, ATX did not have a compliance plan in place that would provide
7 guidelines as to where its Sales and Provisioning personnel could sell service. As a
8 result, the Sales and Provisioning personnel agreed to provide service to branch locations
9 of existing customers whose principal location was in a state where ATX was authorized
10 to provide service. While the vast major of the services provided to the branch locations
11 has been interstate or unregulated in nature, ATX recently determined that it was also
12 providing a relatively small amount of intrastate long distance services in states where it
13 was not authorized to do so. Upon learning of this issue, ATX has pursued obtaining the
14 proper authorizations.

15 In order to prevent future situations where ATX sells services that it is not
16 authorized to provide, ATX has developed and circulated guidelines for its Sales
17 Managers and Provisioning team that indicate the states in which ATX is authorized to
18 provide local and/or intrastate long distance services. In addition, ATX provides this
19 information on its intranet website and is in the process of incorporating it in the training
20 materials used for Sales and Provisioning personnel.

21 To the extent possible, and in recognition of ATX's voluntary disclosure, ATX
22 respectfully requests that the Commission grant this application on a *nunc pro tunc* basis.

1 **Q. How will ATX guard against slamming?**

2 **A.**ATX does not intend to market in South Carolina, but instead will provide service
3 primarily to customers of other states who have satellite offices located in South
4 Carolina. ATX will prevent unauthorized switching of customers initially by obtaining a
5 signed letter of authorization (“LOA”), or similar authorization, from all new customers.
6 ATX will comply with South Carolina law and Federal Communications Commission
7 (“FCC”) regulations regarding how carriers may change a consumer’s Primary
8 Interexchange Carrier.

9 **Q. How will ATX bill for its services?**

10 **A.**ATX will bill customers directly for services.

11 **Q. How will ATX handle service, billing and repair complaints?**

12 **A.**ATX toll free number that customers may call to register service, billing and repair
13 complaints is 800-220-4900. Customers may also send written inquiries and complaints
14 to ATX’s principal place of business or by email to ATXCustomerService@atx.com.

15 ATX views customer satisfaction as critical to its success in the competitive
16 marketplace and will address all services, billing, and repair complaints and inquiries
17 promptly. If ATX is unable to resolve a complaint to a customer’s satisfaction, ATX will
18 advise the customer of its right to file a complaint with the South Carolina Public Service
19 Commission.

20 **Q. Will ATX comply with all applicable Commission service rules and billing**
21 **standards?**

22 **A.**Yes

23 **Q. Does ATX seek any waivers?**

1 **A.** Yes. As described in our application, ATX requires a waiver of the requirement in Rule
2 103-610 that all records required under the rules be kept within the State of South
3 Carolina. ATX maintain its records at its principal office in the State of Pennsylvania.

4 ATX also requests that it be exempt from any record keeping rules or regulations
5 that might require a carrier to maintain its financial records in conformance with the
6 Uniform System of Accounts. Instead, ATX requests that it be allowed to maintain its
7 books in accordance with Generally Accepted Accounting Principles.

8 **Q. Does ATX seek Alternative Regulation?**

9 **A.** Yes, ATX requests that all of its business service offerings be regulated pursuant to the
10 procedures described and set out in Commission Order Nos. 95-1734 and 96-55 in
11 Docket No. 95-661-C, as modified by Commission Order No. 2001-997 in Docket No.
12 2000-407-C. It is ATX's intent by this request to have its business services regulated in
13 the same manner as this Commission has permitted for AT&T Communications of the
14 Southern States, Inc. ("AT&T"). Specifically, as described in the Application ATX
15 requests that the Commission:

- 16 (a) remove the maximum rate tariff requirements for its business services, consumer
17 card, operator service, private line, and customer network-type offerings;
- 18 (b) presume that the tariff filings for these uncapped services be valid upon filing.
19 However, if the Commission institutes an investigation of a particular filing
20 within seven (7) days, the tariff filing would be suspended until further order of
21 the Commission; and
- 22 (c) grant ATX the same treatment as AT&T in connection with any future relaxation
23 of the Commission's reporting requirements.

1 **Q. Please describe the public benefits associated with ATX's proposed offering of**
2 **telecommunications services in South Carolina.**

3 **A. ATX's participation in the telecommunications market in South Carolina will serve the**
4 public interest by creating greater competition in the telecommunications marketplace
5 and by permitting customers to achieve increased efficiencies and cost savings. ATX's
6 intrastate services will meet the needs of business and individual users in the State of
7 South Carolina for competitively priced, superior quality telecommunications services.
8 Moreover, ATX's participation in the market will not adversely impact the availability of
9 affordable interexchange services. Accordingly, Commission approval of the instant
10 Application will foster competition in the telecommunications market and generate
11 significant benefits to South Carolina telecommunications users, including: low-priced,
12 high-quality service, innovative telecommunications services and increased consumer
13 choice, and efficient use of existing telecommunications resources, as well as, increased
14 diversification and reliability of the supply of communications services.

15 **Q. Does this conclude your testimony?**

16 **A. Yes, it does.**